E-Book

Discover the full power of Business Intelligence

Align and prioritize your company strategy with your tactical needs.

Sage

Why the world craves Business Intelligence

In a recent worldwide survey, Gartner found analytics and Business Intelligence (BI) to be organizations' number one priority.[1]

Tech Target research also hones in to show that 41% of organizations are looking to BI and analytical tools to accelerate business planning, forecasting and visibility.[2]

They understand the promise BI offers to turn data into actionable insight—intelligence that informs strategic and tactical decisions about products, pricing, competition, markets, investments and budgets.

It is therefore an essential tool for digital transformation, presenting where new technologies can make the most difference and providing business leaders with the ability to react with greater speed and agility.[3]

The right BI solution can help uncover opportunities, mitigate risks, improve operational effectiveness and drive customer acquisition through the use of actionable and accurate data. So how you do know which solution will deliver the right insight for your business?

In this eBook, we explore what you should expect Business Intelligence to deliver and expand on the important questions you need to ask to ensure you take advantage.

Avoid the struggle

Like all technology innovations, Business Intelligence has hit bumps in the road as it has matured. At the turn of the century, acquiring BI for your business meant relying on specialized IT professionals to run the data for you. In 2011, Harvard Business School found 45% of BI tools ran over budget and 7% over time.

Business Intelligence solutions don't tell you what to do. They tell you what has happened, what is happening, and (using Artificial Intelligence) what might happen, so that you can make informed decisions. Successful decisions come from those that consider the full picture—all available sources of information.

However, many organizations tend to have pockets of BI capabilities rather than an enterprise-wide platform. As a result, they still struggle to wrangle their data and leverage BI to its full potential. For example, one BI tool might provide an executive dashboard on prices by region and another might give another department a measure of vendor performance.

[1] 2018 survey, Gartner Inc.
[2] 2017 Tech Target Report.
[3] 2019 Digital Transformation Report, Sage.

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Business Intelligence is less effective when it operates in silos and succeeds when it's part of an enterprise-wide management platform.

What is the best way to approach Business Intelligence?
You may already have a business management solution or BI functionality in place and are refocusing your efforts. Or you could be looking to adopt a platform with BI for the first time. In either case, your first step should be to set your criteria for what you want Business Intelligence to deliver. Prioritize in line with your company strategy and tactical needs, using a list such as the one below.

A good Business Intelligence solution should deliver insight from across the organization, in real-time, presented in such a way as to help you:

- Concentrate on profitable business areas.
- Ensure adequate cash reserves.
- Clearly understand your market, customers, and buying habits.
- Price products or services correctly.
- Forecast cash flow.
- Actively respond to competition, technology or other changes in the market.
- Avoid over-generalization.
- Reduce overdependence on a single customer.
- Control and optimize growth.
- Improve management.

Will it give you the speed you need?
In today's highly competitive world where disrupters can quickly topple industry giants and customers expect near-instant gratification, the ability to react quickly to changing market pressures and demands is essential.

This makes speed an important criteria for Business Intelligence. You need to use real-time data from across your organization and the resulting information needs to be presented relevantly, without spending hours on additional manual handling and processing.

Your BI solution should include reporting templates and intuitive data visualization tools, a fast data processing engine, and full integration with your business management solution, to achieve the highest level of cross-functional collaboration.

Can it handle today's volume and complexity?
A good Business Intelligence tool is a funnel and a filter—one that only presents the information managers actually need in order to accurately and effectively fulfil their business obligations. Yet time and again, mid-sized businesses report a lack of access to the concise information needed in order to make well-informed decisions.

47% of mid-sized enterprises agree that too many decisions are based on inaccurate or incomplete data, and 39% of them find that inefficiencies remain due to a lack of operational visibility.[4]

So what's going wrong?
Many traditional software solutions are simply unable to handle the massive volume of data generated today. Additionally, many of them require manual data transfer in order to integrate increasingly fragmented data sources. By the time all the data is gathered and sorted, managers miss their window of opportunity.

When considering BI, it's essential to ensure the solution you choose has the capabilities to manage the volume and complexity of the data in your organization. From financial performance to customer proposition development, operational process improvement to strategic planning, modern businesses generate a huge amount of interconnected data sets.

Along with incorporating all this data, the solution needs to provide the means to successfully filter it. In other words, does it cover all your core processes—inventory, sales, customer service, and finance? And does it, for example, provide the flexibility to quickly customize reports with drag-and-drop tools?

Will it help you empower employees and achieve cultural change?
When McKinsey recently researched the key trademarks of agile organizations,[5] it found success came with empowered teams that have clear, accountable roles and hands-on governance.

BI plays a key role in achieving this 'North Star' cultural approach, where everyone shares a common vision and purpose, has the power to recognize opportunities as they arise and can quickly allocate resources to make the most of them.

[4] 2015 Analytical execution for today's midsize enterprise, Aberdeen Group.
[5] 2018 The Five Trademarks of Agile Organizations, McKinsey.

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The two critical factors that will determine success with Business Intelligence are adoption and engagement.

It's an approach that means putting significant trust in teams, which is an easier decision when you know they have the right analytical insights to inform their thinking.

Of course, this level of ownership and self-sufficiency can only be achieved if the BI technology you choose is up to the task. You can only truly empower business users across multiple departments when you provide a tool for self-service analytics that is intuitive to use and meaningful to their specific roles.

Will it display the right information your way?
Spreadsheets still have their place in the world of BI. For example, when integrating analytics into existing financial planning documents. However, research consistently shows that interactive data visualization provides an edge—particularly in terms of quick understanding and time-to-decision.

With data visualization tools such as graphical dashboards and interactive reports, your managers and business-users have a real-time overview of the company's KPIs without the need for number crunching or time-consuming manual analysis.

And so ready-to-use templates, gauges, maps, charts and search capabilities are essential elements of a modern BI solution.

Additionally, providing mobile access to BI tools also contributes substantially to increased adoption and engagement. BI that supports access via mobile devices not only increases productivity, but also allows managers to make timely decisions on the move.

Can you make BI an automated part of everyday business?
The ability to automatically generate and distribute reports based on a predefined schedule, or self-subscribed basis is a must-have feature, especially when it comes to monitoring long-term trends. It should also be quick and simple to send snapshots of important business data in email attachments, to highlight findings with colleagues and make the case for a course of action.

What benefits should different departments expect?
We've previously detailed how BI can be used to benefit the business as a whole, in strategic and tactical terms. It's important to drill down into the benefits individual managers should expect of a correctly deployed BI solution, split out across Finance, Procurement, Sales, Inventory, and Production.

Finance:

- Monitor key performance metrics and business ratios.
- Keep a close eye on trends relating to profitability and balance sheet ratios.
- Find out key information to monitor the business in one view.

In terms of income, BI should inform a view of company profitability and growth trends, with the ability to review and compare profit and growth over time, as well as keep a close eye on key margins.

Connecting BI to accounts receivable data allows you to monitor collection effectiveness, review customer invoicing trends, analyze the effect of collections on cash flow and see which customers are consistently late at making payments.

Additionally, accounts payable metrics can reveal team efficiency and procure to pay work-flow effectiveness. You can analyze payment processing, identify your top vendors, and maintain effective relationships.

Procurement:

- Observe vendor performance and spending.
- Keep a close eye on trends relating to spending and delivery performance.
- Find out all key vendor information.

BI can deliver the information needed to manage the procure-to-pay process and maintain a robust supply chain. At a glance, you should be able to see the metrics that will help you ensure a good relationship built on trust.

Sales:

- Monitor key revenue indicators.
- Track sales and sales team performance.
- Keep a close eye on sales trends and revenue trends.
- Find out key regions, customers, and products.

BI is an essential tool here, helping everyone from the CEO, CFO and VP of Sales to sales managers and their teams—focus on profit.

"We believe in the open sharing of information. Knowledge is power and we are committed to transparency. There's no hierarchy as such, sharing data and ensuring visibility is very much part of the company's ethos."

Gap Personnel
Sage X3 customer

Inventory:

- Uncover key inventory trends.
- Keep a close eye on trends relating to inventory movement and valuation.
- Find out all the key information to monitor inventory in one view.

The flexibility of your BI solution is key here. You should gain the ability to analyse internal versus external inventory movements and volume of stocked units moved to maintain optimal stock levels.

Production:

- Monitor production costs and performance.
- Keep a close eye on capacity and production costs.
- Find out scheduling pressure points.

BI should provide production controllers with actionable insight into production capacity and efficiency, to assist with scheduling and capacity planning. A good BI solution will also show efficiency metrics on performance and output quality.

Summary

There’s no doubt that Business Intelligence is essential for company success, agility and growth. From improving everyday tasks such as managing resources to uncovering sales trends that could change the course of your company, when you’re in the know, you’re better placed to succeed.

However, the full power of BI can only be unlocked when the solution you use integrates properly with your business management platform, with the scope to bring together all the data you need and then filters it appropriately, to present the information you need at speed.

Only then can you truly empower teams across multiple departments, to make accurate and timely informed decisions.

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The implementation of ERP systems bring many benefits, such as increased income, higher productivity, and better communication between departments. X3 Consulting are a trusted Sage partner specialising in Sage X3 manufacturing implementation.

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